

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

COOPERATION DEPARTMENT - Constitution of Expert Committee for review of performance of Coop. Banks (Both Urban & Agriculture Credit Sector Banks) - Orders - Issued.

AGRICULTURE & COOPERATION (COOP.III) DEPARTMENT

G.O.Ms.No. 50

Dated: 23-02-2010

Read the following:

1. G.O.Rt.No. 142 Agriculture & Cooperation (Coop.III) Department, dated 25-02-2003.
2. G.O.Rt.No. 476 Agriculture & Cooperation (Coop.III) Department, dated 03-06-2003.
3. Letter Rc.No. 13450/2009/UB, dated 23-06-2009 from CC & RCS, A.P., Hyderabad.
4. Letter Rc.No. 13450/2009/UA-III, dated 02-01-2010 from CC & RCS, A.P., Hyderabad.

ORDER:

In the references 1st and 2nd read above, Government have issued orders appointing for Implementation & Monitoring Committee for Monitoring the function of the Coop. Urban Banks in the State with three full time members to head the sub groups.

2. In the reference 3rd and 4th read above, the CC&RCS, AP., Hyd., has submitted proposals to Government for seeking permission to appoint an Expert Committee to assist the Registrar of Coop. Societies, A.P., Hyderabad, in performance review of Cooperative Banks and Cooperative Agriculture Credit Institutions. He has stated that he needs expert assistance in discharging his statutory obligations under the APCS Act 1964, for monitoring and supervision of Cooperative Banks and Credit Structure as a Co-regulator along with the Reserve Bank of India.

3. The Commissioner for Cooperation & Registrar of Coop. Societies, A.P., Hyderabad, has also stated that, a similar committee constituted by the Govt. in the reference 1st & 2nd read above, functioned during the period 2003 - 2007, which was entrusted with the responsibility of monitoring Urban Coop. Banks. As a result of constant monitoring and guidance by the said Expert Committee there is a significant improvement in the financial health and administrative capabilities of the Coop. Urban Banks in the State and requested that a similar expert committee be re-appointed with 2 Expert Members and in addition to the Urban Coop. Banks. This Committee should also be entrusted with the responsibility of monitoring the performance of all the Coop. Institutions under Agriculture Credit Sector. The Agriculture Credit Structure has been recently provided substantial financial support by the Government of India and the State Government with a view of revitalise them. Further, funds have been released to the Agriculture Credit Sector under Debt Waiver & Debt Relief Scheme as well as the incentive amount given by the State Govt. to those farmers who repaid their credit promptly. The CC & RCS, A.P. Hyderabad, has suggested that at this stage it is necessary to periodically monitor the performance and to provide expert guidance to all the Coop. Credit Institutions & Banks to enable them to build-up their capacities and function on sound financial lines and hence the need for the Expert Committee since such professional expertise is not available within the Cooperation Department.

4. The Commissioner for Cooperation & Registrar of Coop. Societies, A.P., Hyderabad, has further stated that the expenditure on the proposed committee will be met from out of the liquidation surplus funds/interest amounts available with the Commissioner for Cooperation & Registrar of Coop. Societies, A.P., Hyderabad, and without seeking any budgetary support from the Government and requested to constitute a Committee for performance review of Coop. Banks (Both Urban Coop. Banks & Agriculture Credit Sector Banks).

5. Government after careful examination of the matter in detail and hereby constitute the following Expert Committee to assist the Commissioner for Cooperation & Registrar of Cooperative Societies, A.P., Hyderabad, in periodical performance of review of Cooperative Urban Banks and Agriculture Coop. Credit Institutions at all levels :--

- i) Dr. B.Yerram Raju, Former Dean of Studies, Administrative Staff College of India.
- ii) Sri M.Suryanarayana, AGM (Retd.), Canara Bank and former member of Implementation & Monitoring Committee on Cooperative Urban Banks.
- iii) Additional Registrar (Credit), Member - Convenor

6. The Expert Committee constituted in Para 5 shall perform the following functions towards performance monitoring & guiding the Coop. Banks and Agriculture Coop. Credit Institutions:-

- (a) Guiding in preparation of SWOT analysis of the Institutions involving the Management & Staff.
- (b) Guiding in Developing vision, mission, objective, strategy and goals.
- (c) Guidance in Preparation and review of Business Development plans.
- (d) Periodical review and appraisal of the working of Banks / Branches.
- (e) Review of regulatory compliance and business standards.
- (f) Helping the Banks in setting up Risk Management Systems that include Assets Liability Management, Credit Risk Management, Market Risk and Operational Risk.
- (g) Arranging for orientation / training for board members and top management.

Periodicity: Each Bank will be reviewed on quarterly basis by the Implementation & Monitoring Committee

Deliverables: Quarterly reports on each bank covering the above aspects.

“The General Guidance and review of PACS will be done along with concerned DCCB, particularly with reference to preparation of Business Development Plans, Implementation of Prudential Norms, Capital to Risk weighted Assets Ratio (CRAR) and compliance with the NABARD guidelines relating to Manpower, expenditure and implementation of Common Accounting System (CAS) and Management Information Systems (MIS).”

7. The Non-Official members of the Committee shall be paid a consolidated remuneration of Rs. 25,000/- per month and a fixed conveyance allowance of Rs. 15,000/- per month in lieu of provisions vehicle and while on tours they will be eligible for TA & DA on par with Additional Registrars. The Registrar shall provide accommodation, telephones and Secretarial Assistance to the Committee including engaging two Stenographers / Data Entry Operators on outsourcing basis as per the standard remuneration prescribed by the Govt. from time to time for such persons. The expenditure on the Committee shall be met from out of the liquidation funds / interest accruals available with the Registrar with out seeking any budgetary support.

8. The term of the Committee shall be **2** (two) years from the date of its commencement of functioning and thereafter the Government will take a decision after a review.

9. The Commissioner for Cooperation & Registrar of Cooperative Societies, A.P., Hyderabad, is requested to take further action in the matter.

10. This order issues with the concurrence of Finance (Expr.A&C) Department vide their U.O.No.18815/342/A2/EAC/09, dated 06-08-2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K.R. KISHORE,
PRL. SECRETARY TO GOVERNMENT

To
The Commissioner for Cooperation & Registrar of Cooperative Societies, A.P., Hyderabad
The Members of the Expert Committee through Commissioner for Cooperation & Registrar of Cooperative Societies, A.P., Hyderabad

Copy to:

1. The Managing Director, A.P. State Coop. Bank, Hyderabad. through
2. the CC&RCS , A.P. Hyderabad
2. The Chief General Manager (UBD), Reserve Bank of India, Central Office, Mumbai.
3. The Regional Director, RBI, Regional Office, Saifabad Hyderabad.
4. The Chief General Manager, NABARD, Regional Office, Hyderabad.
5. All Dist. Coop. Officers in the state through the CC&RCS , A.P. Hyderabad
6. All DCCBs in the state through Dist. Coop. Officers through the CC&RCS , A.P. Hyderabad
7. Principal Secretary to CM, A.P, Hyderabad.
8. P.S. to Minister for Cooperation, AP, Hyderabad.
9. P.S. to Chief Secretary, AP, Hyderabad.
10. P.S. to Principal Secretary, A & C Department, Hyderabad.
11. SF / SC.

//FORWARDED :: BY :: ORDER//

SECTION OFFICER